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Anadarko plans study of oil shale

Associated Press

GILLETTE - Anadarko Petroleum is seeking federal permission to study the feasibility of getting oil out of shale in southwestern Wyoming.

An estimated 2.6 trillion barrels of oil permeate shale deposits in Utah, western Colorado and southwestern Wyoming. That's 20 times the nation's traditional oil reserves.

With Congress' recent lifting of a moratorium on oil-shale research, the U.S. Bureau of Land Management has received 18 applications to study oil shale development in Colorado and Utah.

So far, only Anadarko has applied in Wyoming, where the company holds vast oil shale reserves intermixed with federal holdings, according to company spokesman Rick Robitaille.

The company wants to focus on an area 35 miles southeast of Rock Springs. "We are wanting to conduct some tests to explore some different sciences and analyze the potential resource base that might exist in the area," Robitaille said.

Technology to extract oil from shale has so far been too inefficient for feasible production, but high oil prices have renewed interest for the first time since the 1980s.

Colorado and Utah hold more oil shale, but Robitaille said southwestern Wyoming is already suited to handle oil-shale development.

"In southwest Wyoming there is a very definitive mining culture," he said. "Those folks have mined coal and mined trona for years. The infrastructure is there for moving production to market. So there are a lot of positives."

The BLM plans to consider 10-year leases on 160-acre parcels. Federal regulators and governors plan to evaluate the lease applications next month and some research could begin early next year.

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